changes in the composition of Central Government expenditure, economy in non-plan revenue expenditure while improving the quality of expenditure. To this end the Budget contains a number of initiatives which among others include restricting fresh recruitment to one per cent of total civilian staff strength, revision in user charges for services provided by the Government and its agencies keeping in view the increased cost of these services etc. Further, with a view to reduce interest burden, most administered interest rates were reduced by 1.5 per cent as of March 1, 2001. Besides, the Fiscal Responsibility and Budget Management Bill, 2000 was introduced in Parliament in December 2000. This Bill includes provisions relating to ceiling on debt, deficit and borrowing.

Fiscal Deficit

239. SHRI RAM DAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item appearing in the Hindustan Times dated 1st November, 2001 captioned "Inflation may go up: World Bank warns India" because of the mounting fiscal deficit and monetary expansion in the country;

(b) if so, whether fiscal deficit is likely to go up to 10.5 per cent from the presently shown deficit of 5.3 per cent of G.D.P. in 2000; and

(c) what steps Government propose to take to check/attend to "financial strain"?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. The World Bank Report has indicated that mounting fiscal deficit and monetary expansion in India could lead to higher inflation level. As per the Reserve Bank of India, the gross fiscal deficit (GFD) of the Central Government for 2000-01, as per the revised estimates, is 5.1 per cent of GDP. The consolidated GFD of States for 2000-01, as per the revised estimates, is 4.4 per cent of GDP. Accordingly, the combined gross fiscal deficit of the Centre and States for 2000-01 is estimated at 9.1 per cent of GDP as against 9.4 per cent in 1999-2000. For 2001-02, the budget has projected the Center's GFD at 4.7 per cent of GDP. The consolidated GFD of the twenty-eight States and National Capital Territory of Delhi for 2001-02 is estimated at 3.9 per cent of GDP. The budget estimates place combined gross fiscal of Centre and States for 2001-02 at 8.2 per cent of GDP.

(c) The Government is conscious of the need for better fiscal management

to contain non-plan revenue expenditure and increase revenue receipts. With a view to achieve fiscal consolidation, the Budget for 2001-02 emphasises expenditure management through the process of bringing about structural changes in the composition of Central Government expenditure, economy in non-plan revenue expenditure while improving the quality of expenditure. To this end the Budget contains a number of initiatives which among others include restricting fresh recruitment to one per cent of total civilian staff strength, revision in user charges for services provided by the government and its agencies keeping in view the increased cost of these services etc. Further, with a view to reduce interest burden, most administered interest rates were reduced by 1.5 per cent as of March 1, 2001. Besides, the Fiscal Responsibility and Budget Management Bill, 2000 was introduced in Parliament in December 2000. This Billl includes provisions relating to ceilings on debt, deficit and borrowing.

Loan Scheme for the poor

†240. SHRI BACHANI LEKHRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering a proposal to formulate a small loan scheme for poor people;

(b) if so, whether Government have taken any action so far in this regard; and

(c) if so, the comprehensive details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Small loans to poor people are being provided by banks under Government sponsored credit linked Schemes such as Prime Minister's Rozgar Yojana (PMRY), Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Swarnajayanti Gramk Swarozgar Yojana (SGSY), Differential Rate of Interest (DRI) and Scheme of Liberation and Rehabilitation of Scavengers (SLRS). Small loans to poor people are also being provided through Self Help Groups as micro-credit by Banks.

(c) Does not arise.

Loans to Cinema Industry

241. SHRI S.S. CHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the stringent conditions imposed by

†Original notice of the question was received to Hindi.